

**WE CARE MINISTRIES OF NATCHITOCHEs'  
OUTREACH PROGRAM  
NATCHITOCHEs, LOUISIANA  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
DECEMBER 31, 2005**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8-9-06

WE CARE MINISTRIES OF NATCHITOCHES'  
OUTREACH PROGRAM  
NATCHITOCHES, LOUISIANA  
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DECEMBER 31, 2005

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## INDEPENDENT AUDITORS' REPORT

### Board of Directors

We Care Ministries of Natchitoches' Outreach Program  
Natchitoches, Louisiana 71457

We have audited the accompanying statement of financial position of the We Care Ministries of Natchitoches' Outreach Program, (a non-profit organization) as of December 31, 2005, and the related statements of activities, cash flows, and functional expenses for the year then ended. These financial statements are the responsibility of the Outreach Program's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the We Care Ministries of Natchitoches' Outreach Program, as of December 31, 2005, and the changes in its net assets, cash flows, and functional expenses for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated June 19, 2006, on our consideration of the We Care Ministries of Natchitoches' Outreach Program's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The financial information for the year ended December 31, 2004, which is included for comparative purposes was taken from the financial report for that year in which we expressed an unqualified opinion dated May 12, 2005, on the basic financial statements of the We Care Ministries of Natchitoches' Outreach Program.

***Hines, Jackson & Hines***

Natchitoches, Louisiana  
June 19, 2006

EXHIBIT A

WE CARE MINISTRIES OF NATCHITOCHES'  
OUTREACH PROGRAM  
NATCHITOCHES, LOUISIANA  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
<b>ASSETS</b>		
Cash	\$ 91,746	\$ 112,148
Receivables		
Medicaid	200,787	119,977
State grants	<u>3,085</u>	<u>2,790</u>
Total Assets	<u>\$ 295,618</u>	<u>\$ 234,915</u>
 <b>LIABILITIES</b>		
Accounts payable	\$ 10,954	\$ 4,878
Accrued liabilities	<u>111,410</u>	<u>79,734</u>
Total Liabilities	122,364	84,612
 <b>NET ASSETS</b>		
Unrestricted	<u>173,254</u>	<u>150,303</u>
Total Net Assets	<u>173,254</u>	<u>150,303</u>
Total Liabilities and Net Assets	<u>\$ 295,618</u>	<u>\$ 234,915</u>

The notes to the financial statements are an integral part of this statement.

**EXHIBIT B**

**WE CARE MINISTRIES OF NATCHITOCHES'**  
**OUTREACH PROGRAM**  
**NATCHITOCHES, LOUISIANA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004**

	<u>2005</u>	<u>2004</u>
<b>UNRESTRICTED NET ASSETS</b>		
Support		
Medicaid	\$ 1,899,517	\$ 1,600,766
State grants	15,582	19,141
Other	<u>15,331</u>	<u>9,654</u>
Total Revenues, Gains and Other Support	1,930,430	1,629,561
<b>EXPENSES</b>		
Program Services	1,213,533	931,777
Management and General	474,022	436,489
Transfers to We Care Ministries	<u>219,924</u>	<u>204,899</u>
Total Expenses	<u>1,907,479</u>	<u>1,573,165</u>
Increase/(Decrease) in Net Assets	22,951	56,396
NET ASSETS, Beginning of year	<u>150,303</u>	<u>93,907</u>
NET ASSETS, End of year	<u><u>\$ 173,254</u></u>	<u><u>\$ 150,303</u></u>

The notes to the financial statements are an integral part of this statement.

EXHIBIT C

WE CARE MINISTRIES OF NATCHITOCHES'  
OUTREACH PROGRAM  
NATCHITOCHES, LOUISIANA  
STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 22,951	\$ 56,396
Adjustments to reconcile changes in net assets to net cash from operating activities		
(Increase)/decrease in operating assets		
Receivables		
Medicaid	(80,810)	(2,930)
State grants	(295)	(902)
Increase/(decrease) in operating liabilities		
Accounts payable	6,076	(814)
Accrued liabilities	<u>31,676</u>	<u>7,849</u>
Net Cash From Operating Activities	<u>(20,402)</u>	<u>59,599</u>
Net Increase/(Decrease) in Cash	(20,402)	59,599
CASH, Beginning of year	<u>112,148</u>	<u>52,549</u>
CASH, End of year	<u>\$ 91,746</u>	<u>\$ 112,148</u>

The notes to the financial statements are an integral part of this statement.

**EXHIBIT D**

**WE CARE MINISTRIES OF NATCHITOCHES'**  
**OUTREACH PROGRAM**  
**NATCHITOCHES, LOUISIANA**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004**

	2005			2004
	Program Services	Management and General	Total	Total
<b>COMPENSATION AND RELATED EXPENSES</b>				
Payroll taxes	\$ 70,849	\$ 25,456	\$ 96,305	\$ 97,529
Salaries	1,099,701	332,760	1,432,461	1,111,032
Workman's compensation insurance	29,954	9,064	39,018	41,178
Total Compensation And Related Expenses	1,200,504	367,280	1,567,784	1,249,739
<b>OTHER EXPENSES</b>				
Auto rental	0	0	0	6,154
Bank charges	0	172	172	123
Building rental	0	3,155	3,155	3,420
Client expense	3,329	0	3,329	500
Contract labor	840	0	840	5,227
Contributions	0	475	475	250
Dues and subscriptions	0	422	422	355
Equipment rental	0	2,722	2,722	3,915
Fuel & oil	0	25,110	25,110	18,754
Gifts	0	5,973	5,973	7,065
Insurance	0	20,960	20,960	15,187
License and permits	0	1,940	1,940	0
Office expenses	0	13,480	13,480	17,499
Professional services	6,000	9,954	15,954	12,796
Repairs and maintenance	2,684	1,189	3,873	4,093
Supplies	176	6,882	7,058	8,523
Telephone	0	8,765	8,765	7,430
Travel	0	0	0	3,664
Utilities	0	5,543	5,543	3,572
Total Other Expenses	13,029	106,742	119,771	118,527
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 1,213,533</b>	<b>\$ 474,022</b>	<b>\$ 1,687,555</b>	<b>\$ 1,368,266</b>

The notes to the financial statements are an integral part of this statement.

WE CARE MINISTRIES OF NATCHITOCHES'  
OUTREACH PROGRAM  
NATCHITOCHES, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A.      REPORTING ENTITY**

The We Care Ministries of Natchitoches is a not-for-profit organization incorporated under the laws of the State of Louisiana in 1992. The We Care Ministries began operating an Outreach Program on October 21, 1998, whose purpose is to promote the general welfare of the elderly, mentally retarded and handicapped through assisted independent living. The Outreach Program operates primarily in Central Louisiana with offices in Natchitoches and Alexandria. It is operated by a board which consist of up to six directors. The directors receive no compensation for their service.

**B.      CASH**

Consistent with FASB 95, Statement of Cash Flows, the We Care Ministries of Natchitoches' Outreach Program defines cash and cash equivalents as not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

**C.      NET ASSETS**

The We Care Ministries of Natchitoches' Outreach Program has elected to adopt Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the Outreach Program is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

**D.      PROMISES TO GIVE**

Contributions are recognized when the donor makes a promise to give to the We Care Ministries of Natchitoches' Outreach Program that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the calendar year in which the contributions are reported as increases in temporary or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

**E.      CONTRIBUTIONS**

The We Care Ministries of Natchitoches' Outreach Program has elected to adopt Statement of Financial Accounting Standards (SFAS) No. 116, "Accounting for Contributions Received and Contributions Made." In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

**F.      ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.



**WE CARE MINISTRIES OF NATCHITOCHES'**  
**OUTREACH PROGRAM**  
**NATCHITOCHES, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2005**

**NOTE 1        SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G.        INCOME TAXES**

The We Care Ministries' of Natchitoches' Outreach Program is exempt from federal income taxes section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

**NOTE 2        CASH**

At December 31, 2005, We Care Ministries of Natchitoches' Outreach Program had cash totaling \$91,746, as follows:

Demand deposit accounts	\$ <u>91,746</u>
Total	\$ <u>91,746</u>

At December 31, 2005, the Outreach Program had \$94,800 in bank deposits. These deposits were secured from risk by \$94,800 of federal deposit insurance.

**NOTE 3        LEASE OBLIGATIONS**

The We Care Ministries of Natchitoches' Outreach Program was not obligated under any noncancellable capital or operating leases at December 31, 2005.

**NOTE 4        EMPLOYEE RETIREMENT SYSTEM**

All employees of the We Care Ministries of Natchitoches' Outreach Program are covered by the Social Security System. All employees contribute 6.2% of their total salary to the System, while the Outreach Program contributes a like amount. For the year ending December 31, 2005, total contributions to the System were \$177,626, of which the Outreach Program contributed \$88,813 and employees contributed \$88,813. Total payroll for the year ended December 31, 2005 was \$1,432,461 and total payroll covered by the System was \$1,432,461. Any future deficits in this System will be financed by the United States Government. The Outreach Program has no further liability to the System for the year ended December 31, 2005.

**NOTE 5        LITIGATION**

The We Care Ministries of Natchitoches' Outreach Program was not involved in any litigation at December 31, 2005.

**NOTE 6        RISK MANAGEMENT**

The We Care Ministries of Natchitoches' Outreach Program is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Outreach Program maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Outreach Program.

WE CARE MINISTRIES OF NATCHITOCHES'  
OUTREACH PROGRAM  
NATCHITOCHES, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2005

**NOTE 7            CLAIMS AND JUDGEMENTS**

The We Care Ministries of Natchitoches' Outreach Program participates in federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Outreach Program may be required to reimburse the grantor government. Management believes that disallowed expenditures, if any, based on subsequent audits, will not have a material effect on the Outreach Program's overall financial position.

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## REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors  
We Care Ministries of Natchitoches' Outreach Program  
Natchitoches, Louisiana 71457

We have audited the financial statements of the We Care Ministries of Natchitoches' Outreach Program, as of and for the year ended December 31, 2005, and have issued our report thereon dated June 19, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether the We Care Ministries of Natchitoches' Outreach Program financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the We Care Ministries of Natchitoches' Outreach Program's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatement in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the We Care Ministries of Natchitoches' Outreach Program's management and the Legislative Auditor of the State of Louisiana and is not intended to be, and should not be, used by anyone other than the specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

***Hines, Jackson & Hines***

Natchitoches, Louisiana  
June 19, 2006

SCHEDULE 1

WE CARE MINISTRIES OF NATCHITOCHES'  
OUTREACH PROGRAM  
NATCHITOCHES, LOUISIANA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED  
DECEMBER 31, 2005

	Fiscal Year		Corrective	Planned Corrective
	Finding		Action Taken	Action/Partial
	Initially		(Yes, No,	Corrective
<u>Ref. No.</u>	<u>Occurred</u>	<u>Description of Finding</u>	<u>Partially)</u>	<u>Action Taken</u>

Nothing came to our attention that would require disclosure under Government Auditing Standards.

SCHEDULE 2

WE CARE MINISTRIES OF NATCHITOCHES'  
OUTREACH PROGRAM  
NATCHITOCHES, LOUISIANA  
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED  
DECEMBER 31, 2005

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name(s) of Contact Person(s)</u>	<u>Anticipated Completion Date</u>
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Nothing came to our attention that would require disclosure under Government Auditing Standards.